Guinness Global Dynamic Bond

Investment Commentary – September 2026

GUINNESS GLOBAL INVESTORS

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and KIIDs for the Fund (available on our website), which contain detailed information on its characteristics and objectives and full information on the risks, before making any final investment decisions.

The Guinness Global Dynamic Bond Fund is a fixed income fund. Investors should be willing and able to assume the risks of bond and fixed income investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. The Fund may invest in lower-rated securities which will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. The Fund may also invest up to 30% of its net assets in convertible bonds and other eligible asset classes as detailed in the Prospectus.

Past performance does not predict future returns.

The investment objective of the Fund is to provide a total return for investors through a combination of income and long-term capital growth. The Fund is actively managed without reference to a benchmark or comparative index for performance comparison purposes.

ABOUT THE STRATEGY

Launch	13.07.2026
Sector	TBC
Managers	Craig Veysey
EU Domiciled	Guinness Global Dynamic Bond Fund

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COMMENTARY

July's bond market saw inflationary impulses, a sharp rise in energy prices as hostilities resumed in Iran, and a Federal Reserve that held rates at month-end without offering guidance, resulting in significant bond market weakness.

August saw a reversal, which began with Brent crude oil retracing below $80, and government bond yields following it lower. This was helped by a July payrolls gain of just 21,000 and July inflation of 3.4% over the year, with core at 2.5%, the lowest reading of 2026. Oil then climbed steadily through the rest of the month to finish roughly where it started, and yields retraced with it. The reversal was completed on 28 August, when Chairman Kevin Warsh used his first Jackson Hole keynote to say that underlying inflation had not meaningfully improved and the labour market was consistent with full employment. The probability of a September rate hike moved immediately from around 35% to close to 60%. The US 10-year, though, was little changed at 4.72% by month-end of 28 August, against 4.74% at the end of July, despite the sharper repricing of rate expectations.

The month's other intervention came from the Treasury rather than the Fed and was aimed at the other end of the yield curve. After softening its coupon guidance at the end of July refunding, the Treasury was already running long-end buyback operations through August, up to $2bn each, and on 19 August it announced it would at least double that size from September to at least $4bn in the 10-to-30 and 20-to-30-year sectors. The increase runs only to the next refunding in early November. Set against the $42bn 10-year note and $25bn 30-year bond the Treasury auctioned in August alone, an extra $2bn in an operation is small. What is more telling is that 30-year yields finished close to where they began. The parallel investors may reach for is the Bank of Japan, and its yield curve control and the dulling of market forces in the near term.

Elsewhere, where no central banks intervened, yields rose. 10-year Bund yields went from 3.21% to 3.28% and French 10-year yields from 4.00% to 4.13%, underperforming Germany by a further six basis points, with eurozone inflation accelerating to 3.3%, the highest since September 2023 and again energy-driven, and the July minutes confirming that the pause was not the end of the tightening cycle. Japanese ten-year yields rose 12 basis points to 2.93%, the largest move of the major markets. Gilts were little changed through the month, with 10-year yields closing at 5.06% against 5.05% a month earlier.

In currencies, the dollar drifted lower. The sharp move came at the very end of July, when the Federal Reserve held rates and gave little sign of wanting to lean against an energy-driven inflation overshoot, and the United States joined Japan in a rare coordinated intervention to support the yen. Against that, August itself was quiet, with the dollar index down around half a percent over the month.

Corporate bond markets, once again, told a different story. Spreads held close to their recent ranges throughout, with US high yield finishing around 275 basis points, investment grade around 80 and BBBs around 100, leaving the ratio of high yield to investment grade spreads near its long-run average. Summer issuance was light, and new deals were well received. The result was a month in which credit returns came almost entirely from carry rather than spread compression: the global investment grade market returned 0.35% and global high yield 0.89%.

PORTFOLIO ACTIVITY

Portfolio duration ended the period at 7.7 years, of which the government bond book contributed 3.5 years and credit 4.2. Duration was reduced to 6.5 years in the first days of August, taking profit on the rally as long-end yields declined on month-end rebalancing and softer energy prices. It was then extended again through the second half of the month as yields backed up, and after the intervention from the US Treasury, with both 10-year and 30-year Treasuries added at that point.

The long-dated gilt was sold in full in early August, given our caution around the new government's spending plans ahead of the Budget on 28 October. At the same time, the longer-dated European government holdings were switched into 10-year and shorter maturities, and short-dated Treasury positions were added to hold flexibility for credit deployment. The AA Bond Co secured notes, discussed at length last month, were redeemed on 6 August at 104.53% of principal, 17 days after purchase and on the terms the documentation set out.

As the month progressed and long yields rose, that flexibility was used in both directions. Roughly a third to a half of each of the long-dated European positions sold in early August was re-established at materially higher yields, and the 30-year Treasury, already the Fund's largest single holding, was increased by more than half again. The effect is visible in the split: the government book's duration contribution moved from 4.9 years at the end of July to 2.2 years in early August and back to 3.5 by month end, while the credit book held steady at around 4.2 years throughout. That is the government allocation working as the portfolio's duration lever, so that credit selection is never asked to serve a rate view. Neither the level of duration nor the composition of the government book is a set position; both are managed dynamically.

Within credit, inflows over the month were deployed into existing conviction positions rather than spread across new names, with additions to Telecom Italia, Petroleos Mexicanos, Petrobras, Intel, Energy Transfer, SW Finance, Centrica, EDF and Nationwide. Two new positions were established and are described below.

Co-operative Group 8.25% 2031: paid well to underwrite a recovery

The Co-op is the UK's largest consumer co-operative, owned by more than seven million members rather than by shareholders. In April 2025, a serious cyber-attack emptied shelves and disrupted payments and deliveries, costing an estimated £120m of profit and tipping the group into a loss for the year. S&P cut the rating to BB minus. What interested us was what came next: in June the group raised £350m of new senior notes to repay the £350m falling due in July, clearing its near-term refinancing requirement without adding to borrowings, and extended its bank facility alongside it. S&P affirmed the rating with a stable outlook, expecting borrowings to fall and cash generation to turn positive from here.

The attraction is the income, rather than a bet on the spread narrowing. At a yield of over 7% and a maturity of only five years, we are paid a high-yield coupon by a business with a one-off difficulty rather than a weak competitive position, and member ownership means there is none of the pressure for debt-funded dividends and buybacks that shapes financial policy at privately owned grocery rivals. One the other hand, borrowings remain elevated, a cash flow recovery is required, and only one agency rates the credit publicly. However, the short maturity compensates for these; we are underwriting a couple of years of execution rather than a long turnaround.

Stellantis 8.25% perpetual hybrid: buying below par changes the risk

Stellantis is the carmaker behind Jeep, Ram, Peugeot, Fiat and Vauxhall. Last year was a difficult one, with around €22bn of write-downs and downgrades from both Moody's and S&P in February, though the company remains investment grade. The first half of 2026 was better: revenue up 10%, and a return to positive operating profit and cash flow under a recovery plan targeting margins of 5% by 2028. In March, the company raised around €5bn of hybrid capital, of which this £865m sterling perpetual is the sterling portion. Because the rating agencies treat half of a hybrid as equity, the issue supports the company's investment-grade rating rather than straining it.

We own it for the income and for the price we were able to pay. The bond yields over 9%, and the company may buy it back at par in June 2032, though it is not obliged to, with no penalty coupon if it waits. That is what the market frets about, and it is exactly why buying below par appealed: we paid no premium for a repayment date that may not arrive, and if the company extends, the coupon resets close to where it already sits, so we remain well paid to wait. Our own valuation work puts the bond around a percentage point cheap to comparable hybrids. Its subordination and the deferrable coupon are what make a yield of this size available at a company the agencies still rate investment grade, and we take those risks deliberately and in measured size, at around 2.5% of the Fund.

Telecom Italia 7.721% 2038: an update

The position we discussed at length in the previous commentary has developed as we hoped, and we added materially to the holding during August. Moody's, S&P and Fitch now all have the credit on positive watch, at Ba1, BB+ and BB+ respectively, one notch below investment grade.

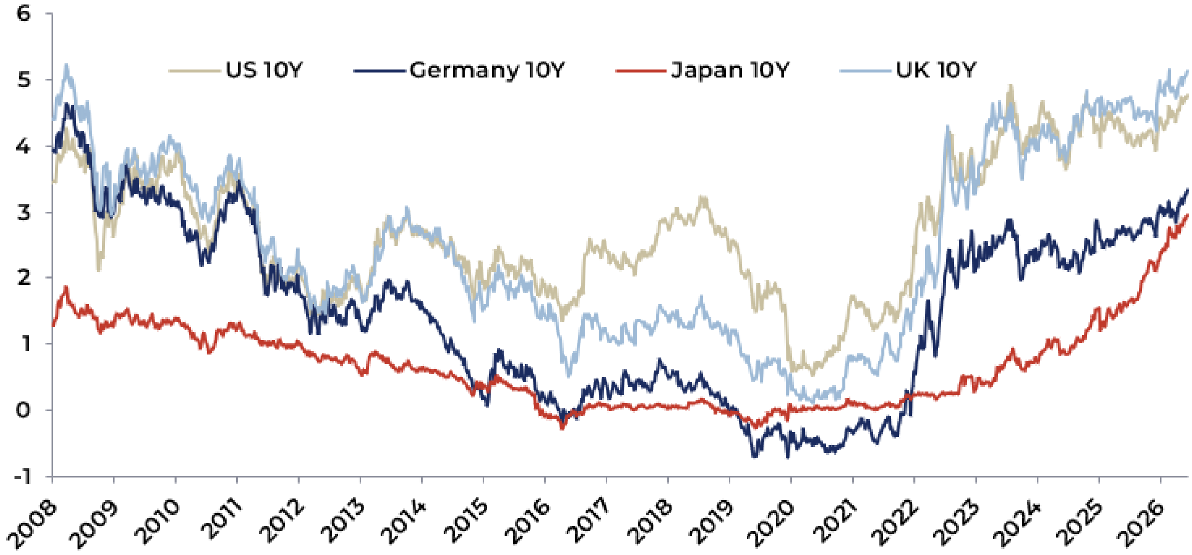
Reference to specific securities is for illustration of the investment approach only and does not constitute a recommendation to buy or sell.

MARKET OUTLOOK

Yields are at multi-decade highs, and positioning on the highest-quality government debt has rarely been more negative

Recent weakness has left starting yields the most attractive we have seen in years, and not only in the US, where the 10-year has traded at 5% in September, a level reached only briefly since the financial crisis. German 10-year yields are around 3.5%, the UK offers well over 5%, and even Japan now yields more than 3%. We have not seen levels like these for decades. The concern behind them is understandable, with inflation still above target and public finances in poor shape, but investors are now being paid properly for it, which was not true in previous years. Positioning and sentiment on the highest quality developed market debt have become very negative at precisely that point. Should a shock arrive that is not currently priced, or should growth and inflation expectations simply moderate, that positioning is likely to unwind, which would support returns. A weaker economy, itself a consequence of rates at these levels, is the most obvious catalyst. Long-dated bonds benefit most if yields decline, and with curves this steep they compound attractively while we wait. That is the case for the 30-year US Treasury as the Fund's largest holding, and for adding to it into weakness.

10-Year Government Bond Yields: US, Germany, Japan, and UK (2008–2026)



Source: Bloomberg, September 2026

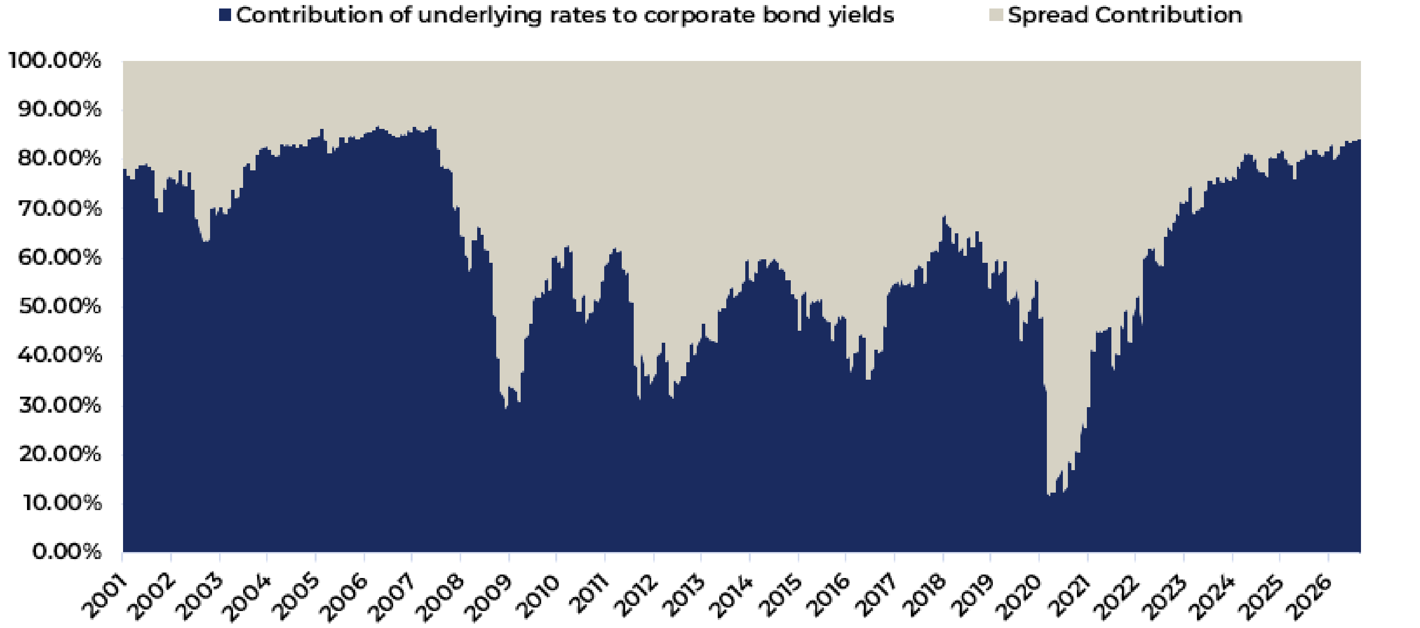
Once a central bank or a treasury has committed against speculative positioning, we would rather not be on the other side of it

August produced two official interventions: the acceleration of the US Treasury's long-end buyback programme, and the joint US and Japanese action in support of the yen. The authorities may not be able to fix a price, but once they have decided to counteract speculative positioning, the distribution of outcomes changes and the asymmetry of being short that market deteriorates. Through a severe global long-end sell-off, the US 10-year moved the least of the four major markets and did so as the market at the centre of the supply concern. Central banks control the short end; the market prices the rest. The US has tried issuing less at the long end, which helps at the margin, but only until someone addresses the public finances themselves. Should long yields genuinely get away, the authorities retain the option to buy considerably more. From the bond market's perspective, credibility is what matters most, and we would welcome a return to the transparency markets historically enjoyed.

Where that yield comes from matters more than the level

Spreads now account for roughly 16% of the all-in yield on the global investment grade index, with government bonds supplying the rest. That is the lowest contribution since before the financial crisis and close to the 2006 and 2007 extremes. All-in yields are attractive, but the improvement has come from government bond yields, not from credit risk becoming better paid.

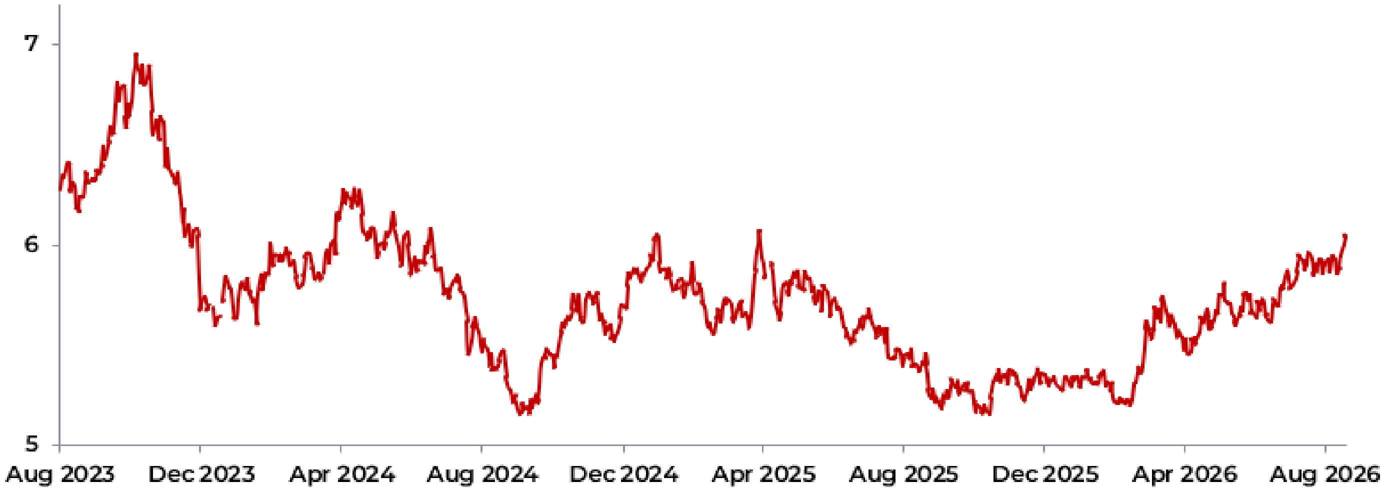
Spreads Contribute the Least to Credit Yields Since Crisis



Note: Global Investment Grade, monthly resolution, as of Sep 3 2026. Source: Bloomberg Indices

The same arithmetic explains where we take credit risk. The investment grade index yields close to 6%, near the top of its three-year range, while high yield at around 7.2% sits only mid-range, because spread compression has absorbed most of the move in underlying rates. With government bonds this attractive, broad credit risk at today's valuations is not the way to be paid. We work bottom-up and without bias, seeking the idiosyncratic opportunities described above, and hold high yield at around 17% against an internal maximum of 30%. Better entry points in sub-investment grade credit will come from dislocation rather than patient accumulation at these spreads, which leave little margin for disappointment, whether from a renewed energy shock, from the heavy corporate borrowing funding AI-related investment, or simply from a slowing economy.

ICE BofA US Corporate Index, Semi-Annual YTW



Source: ICE BofA US Corporate Index Yield to Worst, Federal Reserve Bank of St. Louis (FRED). As of Sep 2, 2026

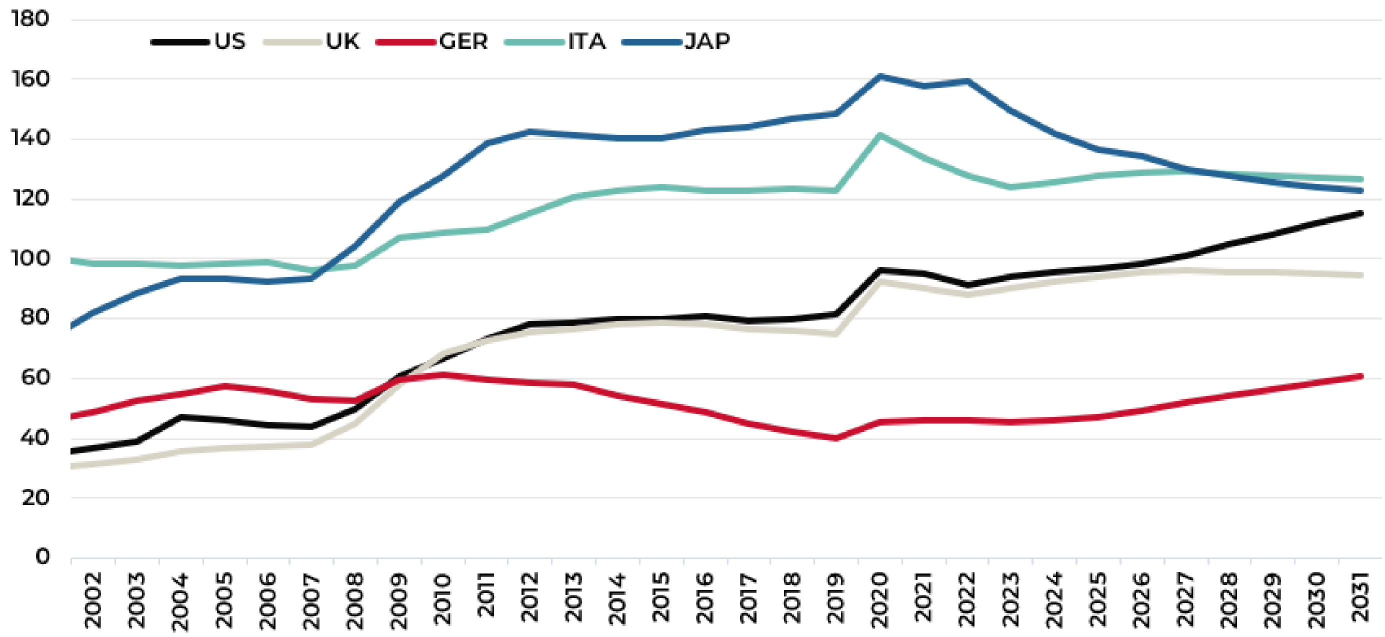
ICE BofA US High Yield Index, Semi-Annual YTW

Source: ICE BofA US High Yield Index Yield to Worst, Federal Reserve Bank of St. Louis (FRED). As of Sep 2, 2026

The sovereign risk everyone worries about is not where the index puts your money

A market-capitalisation-weighted index lends most heavily to whoever has issued most, which is a poor organising principle when the issuance is the problem. On IMF projections, US net debt rises towards 115% of GDP by 2031, while the two economies usually cited as cautionary tales move the other way, Japan falling towards 123% from a peak above 160% and Italy settling near 127%. Germany deteriorates from a position of considerable strength and remains the outlier by some distance. This is why we run the government allocation actively rather than accept index weights, and it is shaping where we look next. In Japan, political pressure on the domestic pension funds to invest more at home has improved the demand backdrop for JGBs without any change to their formal allocation targets, at a point when 10-year yields have reached levels not seen since the 1990s. We have started to act on that and will set out the detail next month.

Net debt as a share of GDP (%)



Source: Bloomberg, September 2026

POSITIONING

At the period end, the Fund held 33.1% in government bonds, 48.4% in investment grade credit and 17.2% in high yield credit, with 1.3% in cash and an average credit rating of BBB+. High yield exposure sits at 17.2% against an internal maximum of 30%. Portfolio duration of 7.7 years sits inside the actively managed range of zero to ten years.

Key Facts	
Yield to Maturity	6.26% (USD Hedged Yield 6.52%)
No. of holdings	34
Average rating	BBB+
Duration	7.7 (actively managed between 0-10 years)

Top 10 Largest Holdings (by Weight)

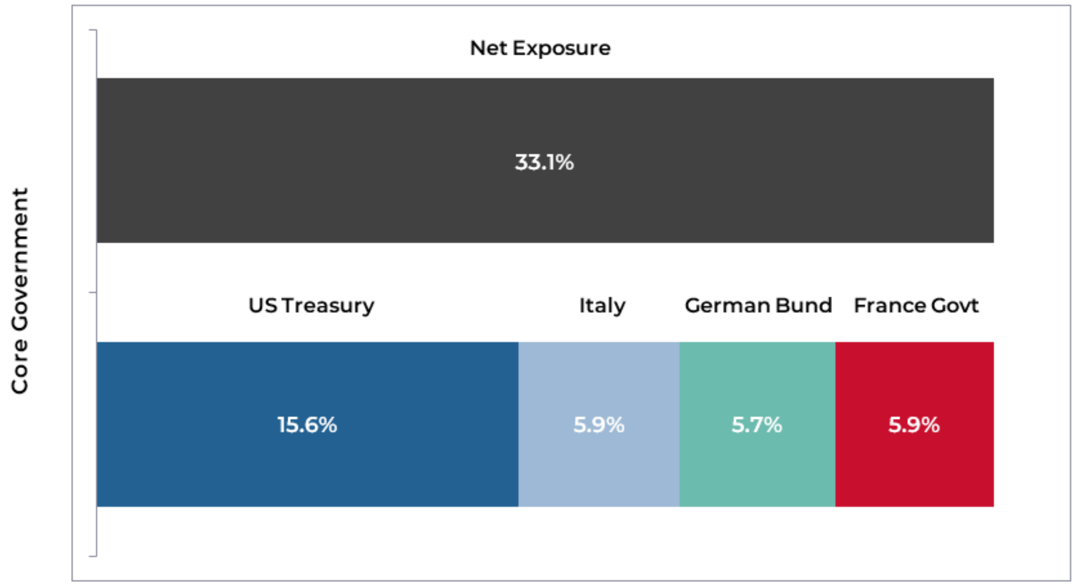
Security Name	Maturity	Coupon	Weight
US GOVERNMENT	15/05/2056	5.000%	8.7%
US GOVERNMENT	15/02/2035	4.625%	5.8%
NATIONWIDE	PERPETUAL	10.250%	4.0%
EDF	17/06/2035*	7.375%	4.0%
CO-OPERATIVE GROUP	01/06/2038*	8.250%	3.9%
ENERGY TRANSFER	15/11/2035*	6.750%	3.8%
CENTRICA PLC	21/02/2030*	6.500%	3.7%
FRANCE GOVERNMENT	25/11/2033	3.500%	3.6%
GERMANY GOVERNMENT	15/08/2036	3.000%	3.6%
ITALY GOVERNMENT	01/03/2034	4.200%	3.6%

Source: Guinness Global Investors, Bloomberg. Data as of 31.08.2026

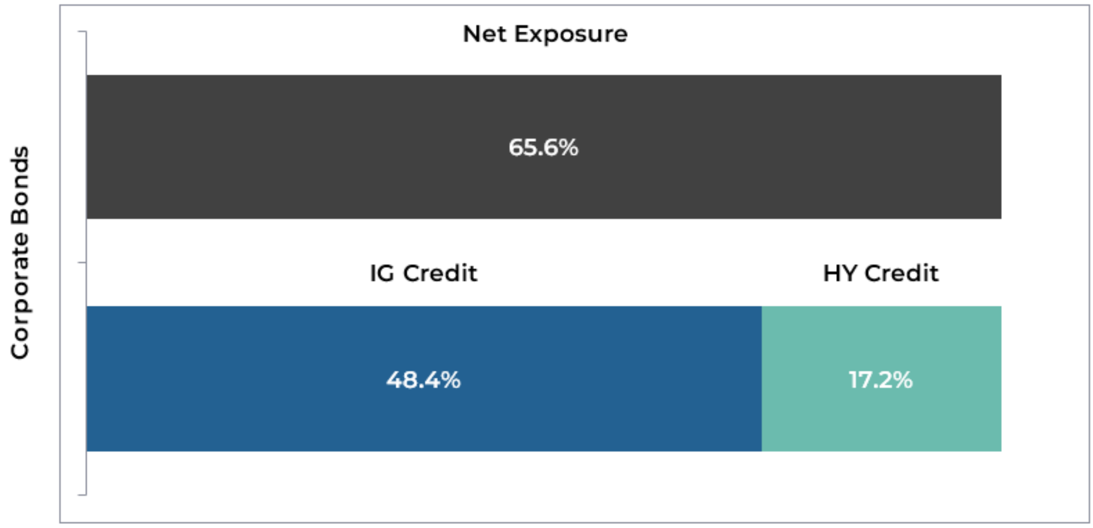
The two US Treasury positions, the 30-year and the 10-year, are the largest holdings in the Fund at 8.7% and 5.8% respectively. These are the positions that express the view set out above: real yields at levels rarely seen in decades, bought into weakness, and held for a turnaround that we do not need to time in order to be paid for owning. Individual credit positions remain sized with conviction and clustered between roughly 2.5% and 4%, concentrated on situations specific to the issuer or the instrument rather than dependent on the direction of markets: subordinated financials, hybrid capital, secured and whole business securitisation structures, and credits positioned around the boundary between the high yield and investment grade markets. With spreads contributing so little to the yield on offer, this is where the credit work has to earn its keep, rather than in broad market exposure.

The Fund's yield to maturity stood at 6.3% at the period end. Alongside credit selection, we will continue to manage government bond exposure, duration and currency risk actively as conditions change.

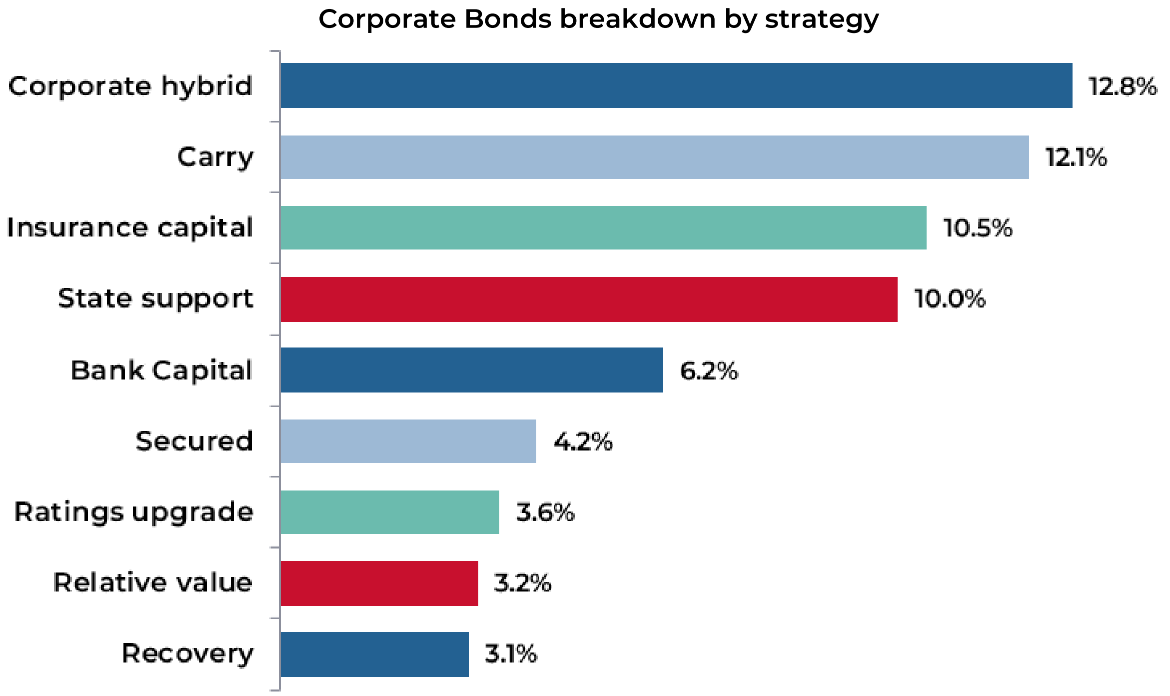
Tactical Positioning
Active Macro Overlay

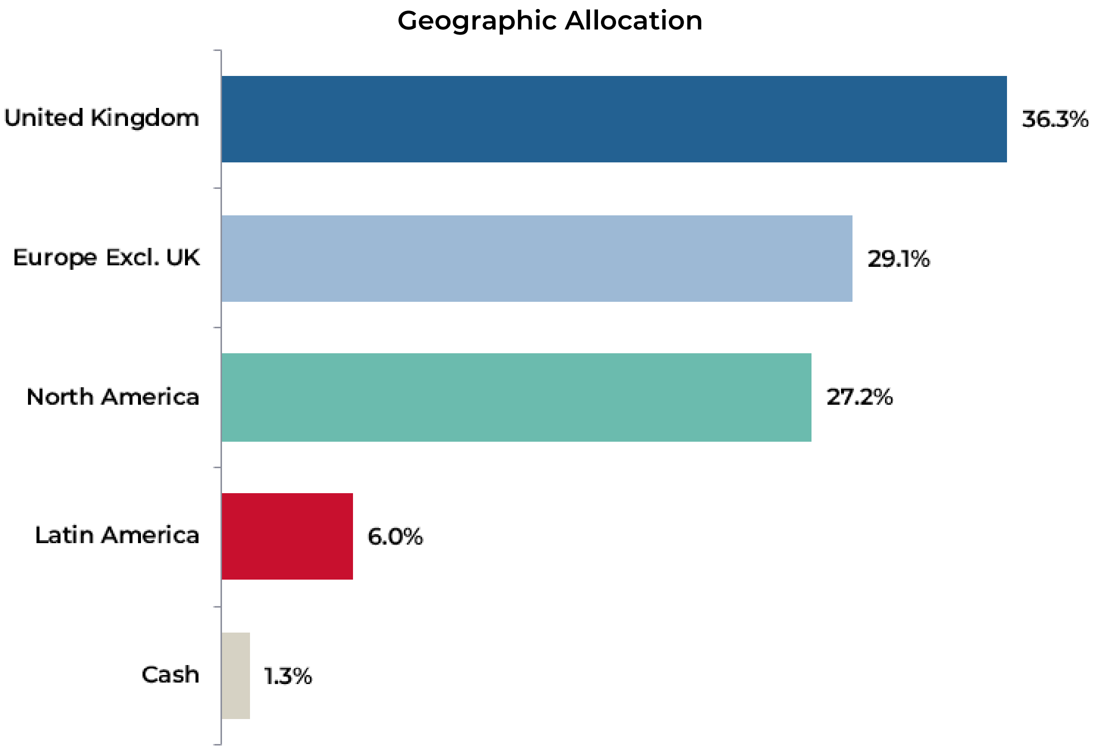


Strategic Positioning
Value Driven Credit Approach



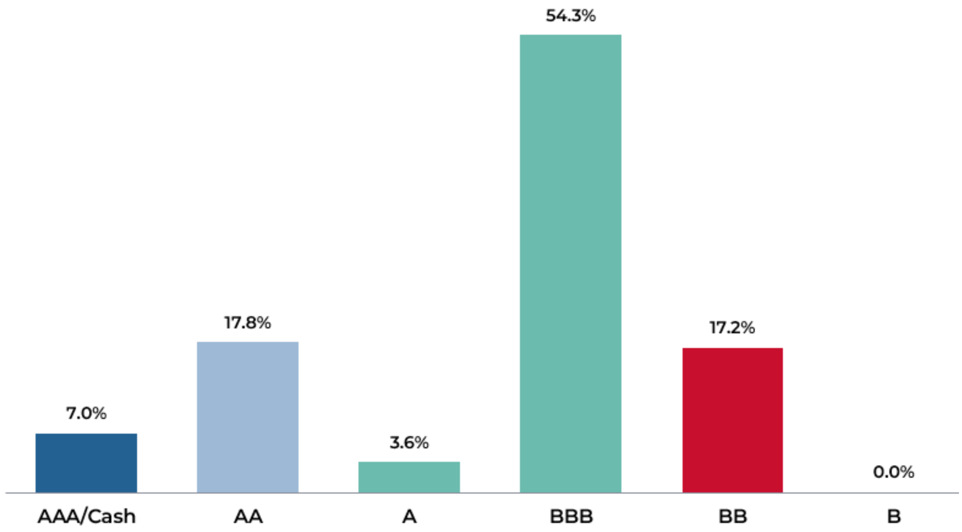
Source: Guinness Global Investors. Data as of 31.08.2026



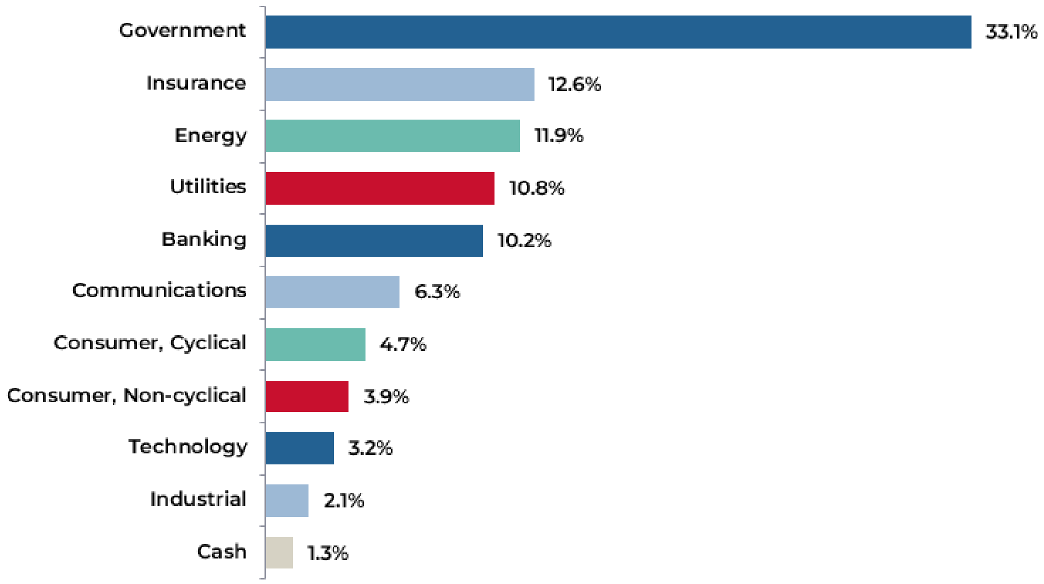


Source: Guinness Global Investors. Data as of 31.08.2026

Credit Ratings



Sector Exposure



Source: Guinness Global Investors. Data as of 31.08.2026

We look forward to keeping you informed and thank you for your support of the Fund.

Portfolio Manager
Craig Veysey

IMPORTANT INFORMATION

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This report is primarily designed to inform you about fixed interest securities and equity and fixed interest markets invested in by the Guinness Global Dynamic Bond Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

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Documentation

The documentation needed to make an investment, including the Prospectus, Supplement, Key Information Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

Investor Rights

A summary of investor rights in English, including collective redress mechanisms, is available here: https://www.waystone.com/waystone-policies/

Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. **NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

Structure & regulation

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Intesa Sanpaolo Wealth Management S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.

Singapore

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS"), and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

Glossary of Terms: A glossary explaining key investment terms used in our marketing materials is available here: https://www.guinnessgi.com/glossary.

Telephone calls will be recorded and monitored.